



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

NOTES AND SUGGESTIONS

THE GERMAN INDEMNITY AND THE SOUTH

COMPARISONS are odious to the historian because events are so differently conditioned that it is difficult to set the camera to the same scale in any two cases. Comparisons between the generosity of the North in its treatment of the South after the Civil War, and the harshness of the Versailles Peace, are so often made, however, that it seems worth while to square the basis on which such a comparison should rest.

In the first place, according to very ingenious estimates recently worked out by my student, Mr. J. L. Sellers, the South expended for the war a proportion of its wealth about four times as great as that expended by the North. Secondly, the war was fought in the South, and the destruction of property was immense. Thirdly, such Southern property as had passed into the hands of the Confederate government, and it was large, including much of the cotton then selling at so high a price, passed into the hands of the Federal government. In these respects the South was much worse off relatively to its opponent than Germany at the close of the late war.

In addition, the defeat of the South inevitably entailed the overthrow of the southern industrial system. This was not a matter of the freeing of the slaves alone. That might theoretically have been accomplished without any disturbance of economic values, but practically was bound to be extremely costly. It actually involved, moreover, the practical overthrow of the plantation system of agriculture. Besides these changes which amounted to an industrial revolution, there was the repudiation of the Confederate currency, the Confederate debt, and the war debts of the states. This wiping out of property rights almost completely destroyed the financial relationships of the South, and made necessary the slow rise of a new economic leadership. Many of these changes were ultimately beneficial, but they meant that for fifty years the South was economically handicapped in ways that Germany has scarcely noticed.

It is from this base that comparable measures in the case of Germany and of the South are to be viewed; and here the comparison seems to escape notice because though the economic measures are comparable, the political conditions differ. Germany remains inde-

pendent, the South was reincorporated into the United States. The result is that an indemnity is used in the case of Germany, while the ordinary course of taxation brought from the South its share of the war compensation and cost incurred by the North. The South paid its full share of all the Northern war expenses, in so far as they had been met by loan—about four-fifths of the whole—and also its share of the \$20,000,000 direct tax. It paid its full share of the pensions for Union soldiers, the same being raised from the whole country and for the most part paid to residents of the North. In addition the voice of the South has, since the war, counted, until lately, almost nothing in determining the economic policies by which these taxes were to be raised and its industries fostered. I cannot at present estimate the weight of these contributions upon the South, as compared with the burdens exacted from Germany, but the burden was a heavy one.

The South received in return, aid in rebuilding its railroad system, and some relief for food shortage in 1865 and 1866. The army of occupation was paid for nationally, the South contributing only its share. The national administrative services kept certain things going, that might have failed utterly had the South been alone, and the maintenance of national credit was a distinct contribution.

The great difference in the two cases which was beneficial to the South was that political unity meant a free field for individual co-operation, and that Northern capital and mechanical skill helped the South, as foreign capital and skill are not apt to help Germany.

The reader is especially asked to notice that attention is here called to economic conditions purely, and that no attempt is made to apply standards of justice or legality to even these.

CARL RUSSELL FISH.